

NATION

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# THE CHOCOLATE CAPER NO BARS FOR MARS AT THE C.I.A.?

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In June 1981 the M&M/Mars division of Mars Inc. filed a Freedom of Information Act request for copies of any documents in the Central Intelligence Agency's files about the chocolate industry in the Soviet Union and other Warsaw Pact nations. In responding to this unusual inquiry the C.I.A. conducted more than a routine search for existing documents, even prepared a chart, in apparent violation of longstanding policies.

When the request was received, it caused a little head-scratching at the C.I.A. "It doesn't sound like an intelligence question," one official commented. Still, the matter was dutifully forwarded for processing to the Soviet/East European division of the Office of Central Reference.

According to a former official close to that division, employees there were even more puzzled when they received a memorandum from William J. Casey, the Director of Central Intelligence, asking them to do an especially thorough job on the Mars request. One employee, wondering why the office was spending an unusual amount of time on the matter, was told that it was because Casey and Forrest Mars Sr. were friends.

Mars and his two sons, who run M&M/Mars, declined to comment. Kathy Pherson, a spokeswoman for the C.I.A., said a search of Casey's official log showed no record of any memorandum from him on the request. "He did not write a memo of that type, and he doesn't do that type of thing," Pherson added.

But the candy company's F.O.I.A. request to the C.I.A. does suggest that there had been some

kind of prior consultation. The letter, from commodity information analyst Maureen Kane, begins, "I understand your agency has information available concerning the cocoa and chocolate industries in the Soviet Union."

The agency conducted an extraordinarily diligent search on Mars's behalf for information about Marxist-Leninist confectioners. In addition to providing Mars with intelligence reports on worldwide Soviet cocoa purchases, C.I.A. analysts dug up photographs of Bulgarian bonbons and plowed through directories of Czech, East German, Hungarian and Polish firms. They carefully underlined any references to cocoa or candy.

In most cases the agency insists that it will not conduct new research in response to F.O.I.A. requests. For example, a 1982 query by the Center for National Security Studies concerning the sources of weapons for the Salvadoran guerrillas could not be processed, the agency said initially, because "we are neither authorized nor required to perform research or create records on behalf of requester. . . . Further, if our searches surface information, we are not permitted to analyse that information to determine whether it is responsive to the request."

In responding to Mars's request, the agency also appears to have violated its policy of refusing to create documents for requesters. The information retrieved by the C.I.A.'s researchers about the chocolate industry in the Soviet Union and Eastern Europe did not answer the most important part of Mars's request: that is, for figures on Soviet bloc "imports and exports of cocoa beans, cocoa butter, and chocolate liquor" for the past ten years. So the agency whipped up a document that answered the question, an unclassified, computer-generated chart titled "Soviet Exports and Imports With Selected Commodities, 1970-79." The selected commodities are cocoa beans, cocoa oil and cocoa liquor. The chart is dated two weeks after the C.I.A. began processing Mars's application. The agency's policy since the late 1970s has been to limit its response to documents in existence before the date on which the agency accepts the request.

"Technically, it is not a response under the Freedom of Information Act," one government expert commented. "This is an example of an agency going above and beyond the F.O.I.A. to answer a specific question. But I suppose agencies can respond to inquiries in ways that go beyond what they are required to do." However, a 1982 C.I.A. memorandum to all its employees notes that Federal standards of ethics provide that "government employees should avoid taking any action which may result in or create the appearance of . . . giving preferential treatment."

Once the documents in the files were assembled, they crept at the usual snail-like pace through the agency's

Continued

2

F.O.I.A. bureaucracy, and Mars did not receive copies until almost three years after making its request.

"As far as any sort of preferential treatment," C.I.A. information and privacy coordinator John Wright explained, "we have handled a large number of cases in which individuals have written to the director and asked him to expedite. We have informed the director that the legal basis of our case processing requires that we leave everything in queue." Wright added that officials in his office frequently testify in F.O.I.A. litigation and "have to be above reproach."

If Wright is correct, any attempt to influence the process would almost certainly have gone through unofficial channels. In that case, it would have affected the nature of the search but not the speed of the response, and would not have been recorded in the Director's official log.

What was the purpose of the exercise from Mars's point of view? Here we leave the reason and light of the Central Intelligence Agency for the treacherous obscurity of the chocolate industry.

"As far as the industry as a whole, 1981 was a turning point," says Jan Kitt, an analyst with the American Consulting Corporation. "Per capita consumption had been at an all-time low for many, many years. That was the time it turned around and began increasing."

Facing the bottom of a ten-year slump, M&M/Mars announced an aggressive strategy aimed at expanding its production of noncandy snack foods and increasing its share of the domestic chocolate market, every percentage point of which was then worth \$52 million.

The division also had just arranged the first sale of M&Ms to friendship stores in China, and the dream of opening up the Red market to Snickers and Mars bars must have been compelling. Mars Inc., the thirty-sixth-largest private corporation in the United States, traditionally has made substantial earnings on the international commodities market as well. "They probably make as much money trading in cocoa, sugar and dried milk futures as they do manufacturing candy," said a former Mars executive.

The request to the C.I.A. was intended "simply to get information on the consumption of chocolate worldwide so as to judge demand for cocoa beans," another former Mars executive recalled. Although Soviet purchases have a significant impact on cocoa prices, he said that the C.I.A. material was of little use to Mars because it took so long to obtain.

This is by far the fullest account of the genesis of the request that I could extract from the company. Current Mars employees, perhaps still terrified of the secretive, autocratic Mars Sr., now retired, who threatened to fire anyone who talked about him with the press, were closemouthed. Typical of their responses were the remarks of Maureen Kane, who said she simply could not talk about the purpose or origin of the request or the usefulness of the C.I.A.'s information. Finally, I gave up.

"Well," I sighed, "I've always heard that M&M/Mars is discreet. It is discreet, isn't it?"

"I'm afraid I can't comment on that," said Kane. □

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